

**Fix It:** There are a lot of things messed up in America today. On this, there is pretty much universal agreement. We have no energy policy, no manufacturing policy and an antiquated tax code that is complicated and inefficient. We are facing crushing deficits and debt that will soon lead to a European-style collapse. The economy continues to be weak and fewer people are working today than over 3 years ago when Barack Obama was sworn in as president. So many people have become discouraged that the number of people working or trying to find work is the lowest percentage of the eligible workforce since back in the Jimmy Carter recession days. The critical housing market is stuck, gas prices are high and going higher and the costs of our health care system keep rising and reform is needed. The public's confidence in Congress and the President is low, perhaps even at an all-time low, and there is little trust out there for major institutions, be they public or private. We are mired in a seemingly endless conflict in Afghanistan even as we face new and changing threats all around the world.

Makes you want to fill your bathtub with beer and go drown in it.

But, there is good news. Honest. As messed up as we are, the rest of the world is more messed up. And, we are the only country on earth that can solve all of our own problems by ourselves, without relying on any other nation. Those two indisputable facts mean that the United States is on the cusp of a huge window of opportunity that could usher in an extended new period of prosperity, security and hegemony for this country.

Permit me to give you a little more explanation of this good news and opportunity. Europe's problems are well-known to everyone by now. But, what is less well-known is that the European Union has massive structural problems that could take a decade to work through, even if you assume it does not collapse. Their experiment in increased socialism has failed (as has every such experiment before) and they will have to either unwind some of it or accept a lower standard of living for European people. China, for all the glowing reviews you read, has a number of deep economic and social challenges that are slowing growth there and will likely focus them inward for a while. The stock market in India fell 38% last year because they, and other BRIC countries (Brazil and Russia), have their share of problems. Widespread corruption in some of those countries has limited foreign investment and deepened the effects of other societal problems. Japan faces serious problems due to a strong yen that is forcing a lot of production out of that country. And, because they have always had almost no natural resources, they have a dependency on imports for virtually all of their energy (except for their substantial nuclear production), food and other products. The UK is doing relatively well, but is being dragged down by their proximity to and trade with a sinking Continental European economy. The best decision the UK made in recent years was to reject the urge to give up the pound and join the Euro.

It seems to be part of the American psyche of late to look at other countries and conclude that they are doing things better than we do. I remember during the 80s when the media said we just needed to be more like Japan. They were growing and buying many things in the US and we didn't understand how they could do what they were doing. We were told that they had a 100 year investment horizon, they were just better and smarter than we were and we should struggle to be more like them. But, Japan turned out to be in a bubble which burst - as all bubbles do. If it looks too good to be true and reasonable people think it makes no sense, it usually is not that we're missing something. It usually just doesn't make sense.

Anyway, it's pretty clear now that we don't need to be more like China or Japan or Europe or Brazil. We need to be more like us.

The rest of the world's problems are deeper than ours. That is no credit to our leadership. That is credit to our system and our culture. Because America is such a great platform for governance and societal harmony, it is hard to screw up....although it seems we are trying. And, we have a better opportunity to fix our problems than do others. We have our own currency and still control most of our own debt. We have vast natural resources that can provide all of our own energy, food and other needs. We have the world's most productive and educated workforce and the strongest military and defense structure the world has ever known. And, although we love to export things to other countries, our economy is so huge that we are not dependent upon it.

In short, unlike every other country on the globe, we truly control our own destiny. This is a tremendous opportunity that we should seize. And by the way, if we fix our problems, we will help pull the rest of the world closer to a solution for theirs. Over the next few weeks, I will lay out for you the things I think we should do to take advantage of this opportunity, and specifically what I am doing to try and advance this mission. Frankly, the solutions are not that tough. From an academic or economic sense, it's pretty clear what we should do. The greater challenge is a political one. I know that we Republicans hope to "run the table" in the 2012 elections and emerge with control of the White House, the Senate and the House. Democrats hope to do the same. But, the reality is that neither is likely to happen. And even if it does, neither side is going to get the 60 votes necessary in the Senate to pass legislation without some votes from the other side. So, the solution here must necessarily be something that can attract bipartisan support. That is the real problem given the polarized environment in Washington these days. But, as I will describe in the weeks ahead, there is reason for hope on that front.

So, stay tuned. This is the first in a series of "Laptop Reports" that will lay out not just where I think we should go, but the bipartisan sweet spot where I think we can go.

Next week, dealing with our biggest threat: The deficit.